

Message Text

LIMITED OFFICIAL USE

PAGE 01 STATE 025547

43

ORIGIN ARA-20

INFO OCT-01 ISO-00 SS-20 EB-11 AGR-20 FEA-02 INT-08 COME-00

TRSE-00 XMB-07 IGA-02 STR-08 CIEP-02 /101 R

DRAFTED BY ARA/CAR:TEMACKLIN:JET

APPROVED BY E - JWBILLER

ARA-LA/CAR:WBWHEELER

ARA/CAR:JRBURKE

ARA:HWSHLAUDEMAN

S/S - MR. LUERS

----- 093244

P 071634Z FEB 74

FM SECSTATE WASHDC

TO AMEMBASSY BRIDGETOWN PRIORITY

LIMITED OFFICIAL USE STATE 025547

E.O.:11652:N/A

TAGS: EFIN, EAGR, ENGR, BB

SUBJECT: BARBADOS PRIME MINISTER BARROW CALL ON UNDER
SECRETARY CASEY

1. SUMMARY FOLLOWING IS MEMORANDUM OF CONVERSATION OF PRIME MINISTER BARROW'S FEBRUARY 5 APPOINTMENT WITH UNDER SECRETARY CASEY. BARROW EXPRESSED AN INTEREST IN MAINTAINING U.S. QUOTA FOR WEST INDIAN SUGAR AND INDICATED THAT BECAUSE CRUDE OIL PRODUCTION IN BARBADOS WAS EXPECTED TO REACH 30 PERCENT OF TOTAL LOCAL REQUIREMENTS, GOB HOPED TO BE SAVED FROM WORST HARDSHIPS OF ENERGY CRISES. APPOINTMENT PROVIDED PRIME MINISTER BARROW WITH OPPORTUNITY TO EXPRESS GOB INTEREST IN EX-IM BANK ASSISTANCE FOR THREE DEVELOPMENT PROJECTS, A CONCRETE PLANT, EXPANSION OF DEEP WATER HARBOR FACILITIES, AND A FLOUR PLANT. DISCUSSIONS WERE CORDIAL AND PROVIDED SOLID BASIS FOR FUTURE G B APPLICATION FOR EX-IM BANK FINANCING.

2. FOLLOWING IS A MEMORANDUM OF CONVERSATION OF PRIME
LIMITED OFFICIAL USE

LIMITED OFFICIAL USE

PAGE 02 STATE 025547

MINISTER BARROW'S APPOINTMENT WITH UNDER SECRETARY CASEY.

BARROW WAS ACCOMPANIED BY GOB AMBASSADOR TO THE U.S., VALERIE MCCOMIE; CHARLES SKEETE AND STEVE EMTAGE FROM GOB MINISTRY OF FINANCE AND PLANNING.

3. INITIAL CONVERSATION CENTERED ON BARBADIAN INTEREST IN SECURING A MARKET POSITION IN U.S. FOR WEST INDIAN SUGAR.

CONVERSATION FOLLOWED LINES OF BARROW'S FEBRUARY 4 MEETING WITH ASSISTANT SECRETARY KUBISCH. UNDER SECRETARY CASEY COMMENTED THAT THE U.S. SUGAR LEGISLATION EXPIRED THIS YEAR AND THAT CONGRESS WOULD BE CONSIDERING NEW LEGISLATION. HE OBSERVED THAT SOME IN THE U.S. FAVORED RELIANCE ON A FREE MARKET WHILE OTHERS SUPPORTED A QUOTA SYSTEM. BARROW STATED THAT THE GOB STRONGLY FAVORED THE CONTINUATION OF THE U.S. QUOTA SYSTEM BECAUSE OF THE SECURITY IT PROVIDED FOR ALL CONCERNED IN THE FACE OF UNCERTAINTIES WHICH MAY AFFECT FUTURE WORLD SUPPLY. (BARROW ALSO EXPRESSED SATISFACTION WITH A CONVERSATION ON THIS SUBJECT HE HAD WITH CONGRESSMAN POAGE ON FEBRUARY 4.)

4. PRIME MINISTER BARROW MENTIONED THREE SPECIFIC PROJECTS WHICH HE HOPED GOB MIGHT FINANCE WITH ASSISTANCE FROM EX-IM BANK, I.E. A CEMENT PLANT, HARBOR IMPROVEMENTS, AND A FLOUR PLANT.

BARROW SAID PLANS TO DEVELOP A CEMENT PLANT COSTING \$10-\$12 MILLION WERE ADVANCED. IMPORTS WERE NOT AVAILABLE FROM BARBADOS' TRADITIONAL SOURCES OF CEMENT (JAMAICA, VENEZUELA AND TRINIDAD) AND PRICES BARBADOS HAS HAD TO PAY FROM OTHER SOURCES ARE SHARPLY HIGHER. THE PLANT ENVISIONED WOULD PRODUCE 250,000 TONS OF CEMENT PER YEAR, WHICH WOULD BE SOLD IN BARBADOS AND GUYANA. BARROW ALLUDED TO AN ARRANGEMENT WITH THE GUYANA BAUXITE COMPANY UNDER WHICH CLINKERS WOULD BE EXPORTED TO GUYANA. BARROW SAID FINAL DESIGN DECISIONS HAD NOT BEEN REACHED BUT EXPRESSED INTEREST IN A U.S. HORIZONTAL KILN IF THE GOB COULD OBTAIN FINANCING FROM EX-IM BANK. HE WAS, HOWEVER, CONCERNED ABOUT THE TIME REQUIRED FOR A DECISION ON FINANCING GIVEN HIS GOVERNMENT'S EXPERIENCE WITH MULTILATERAL LENDING AGENCIES. UNDER SECRETARY CASEY REPLIED THAT THE EX-IM LIMITED OFFICIAL USE

LIMITED OFFICIAL USE

PAGE 03 STATE 025547

BANK WAS GEARED TO RAPIDLY CONSIDER AN APPLICATION FOR SUCH A PROJECT INVOLVING EXPORTS FROM THE U.S. HE REFERRED TO THE PRINCIPAL CRITERIA OF ECONOMIC VIABILITY OF THE PROJECT AND THE CREDIT STANDING OF THE APPLICANT.

5. PRIME MINISTER BARROW STATED THAT THE GOB ALSO WISHED TO EXPAND FACILITIES AT THE DEEP WATER HARBOR WHICH HAD SUFFICIENT BERTHING SPACE BUT REQUIRED ADDITIONAL SUPPORT

FACILITIES, SHEDS, CRANES, ETC. A CANADIAN FIRM HAD COMPLETED A FEASIBILITY STUDY. BARROW SAID GOB IS READY TO BEGIN WORK ON HARBOR EXPANSION IMMEDIATELY. THE THIRD PROJECT OF INTEREST TO GOB IS CONSTRUCTION OF A FLOUR MILL. WHEN ASKED ABOUT INTEREST RATES FOR EX-IM LOANS, UNDER SECRETARY CASEY REPLIED THAT INTEREST HAD JUST RISEN FROM 6 TO 7 PER CENT.

6. UNDER SECRETARY CASEY ASKED IF BARBADOS WAS RECEIVING ITS OIL REQUIREMENTS. PRIME MINISTER BARROW REPLIED THAT BARBADOS DID NOT HAVE A PROBLEM SINCE SOME OIL DEPOSITS EXISTED ON THE ISLAND AND BARBADOS HAS A SMALL MOBIL REFINERY WHICH PROCESSED MOSTLY VENEZUELAN CRUDE. BARBADOS ALSO HAS SOME NATURAL GAS PRODUCTION. ADDITIONAL EXPLORATION FOR CRUDE OIL IS BEING INITIATED WITH THE INCREASE IN OIL PRICES.

RUSH

LIMITED OFFICIAL USE

NNN

Message Attributes

Automatic Decaptioning: X
Capture Date: 01 JAN 1994
Channel Indicators: n/a
Current Classification: UNCLASSIFIED
Concepts: SUGAR, PETROLEUM PRODUCTION, CONSTRUCTION, MEETINGS, IMPORT QUOTAS, DEVELOPMENT PROGRAMS, BANK LOANS, PORT FACILITIES
Control Number: n/a
Copy: SINGLE
Draft Date: 07 FEB 1974
Decaption Date: 01 JAN 1960
Decaption Note:
Disposition Action: RELEASED
Disposition Approved on Date:
Disposition Authority: MorefiRH
Disposition Case Number: n/a
Disposition Comment: 25 YEAR REVIEW
Disposition Date: 28 MAY 2004
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
Document Number: 1974STATE025547
Document Source: CORE
Document Unique ID: 00
Drafter: TEMACKLIN:JET
Enclosure: n/a
Executive Order: N/A
Errors: N/A
Film Number: n/a
From: STATE
Handling Restrictions: n/a
Image Path:
ISecure: 1
Legacy Key: link1974/newtext/t19740248/aaaabtcq.tel
Line Count: 133
Locator: TEXT ON-LINE
Office: ORIGIN ARA
Original Classification: LIMITED OFFICIAL USE
Original Handling Restrictions: n/a
Original Previous Classification: n/a
Original Previous Handling Restrictions: n/a
Page Count: 3
Previous Channel Indicators: n/a
Previous Classification: LIMITED OFFICIAL USE
Previous Handling Restrictions: n/a
Reference: n/a
Review Action: RELEASED, APPROVED
Review Authority: MorefiRH
Review Comment: n/a
Review Content Flags:
Review Date: 10 SEP 2002
Review Event:
Review Exemptions: n/a
Review History: RELEASED <10 SEP 2002 by WorreISW>; APPROVED <10-Sep-2002 by MorefiRH>
Review Markings:

Declassified/Released
US Department of State
EO Systematic Review
30 JUN 2005

Review Media Identifier:
Review Referrals: n/a
Review Release Date: n/a
Review Release Event: n/a
Review Transfer Date:
Review Withdrawn Fields: n/a
Secure: OPEN
Status: NATIVE
Subject: BARBADOS PRIME MINISTER BARROW CALL ON UNDER SECRETARY CASEY
TAGS: EFIN, EAGR, ENRG, BB, US, XMB
To: BRIDGETOWN
Type: TE
Markings: Declassified/Released US Department of State EO Systematic Review 30 JUN 2005